

**Amend Revenue and Taxation Code Section 276.1 to extend from 30 days to 90 days the time for a disabled veteran to file a claim to receive the disabled veterans' exemption retroactively to the effective date of disability in cases where the necessary disability rating letter issued by the United States Department of Veterans Affairs is not timely.**

**Source: Property and Special Taxes Department**

**Existing Law**

Article XIII, Section 4 of the California Constitution provides that the Legislature may exempt from property tax, in whole or in part, the home of a person or a person's spouse, including an unmarried surviving spouse, if the person, because of injury or disease incurred in military service, is totally disabled. This exemption is commonly referred to as the "disabled veterans' exemption." The disabled veterans' exemption is also available to the surviving spouse of a person who has died as a result of a service connected injury or death while on active duty in military service.

Revenue and Taxation Code Section 205.5 provides that the disabled veterans' exemption is available to property that constitutes the principal place of residence of a veteran who has a disability rating at 100 percent or has a disability compensation rating at 100 percent because he or she is unable to secure or follow a substantially gainful occupation. Section 276 provides that when a person eligible for the disabled veterans' exemption files a claim after the deadline, the exemption can still be received, but at a reduced level. Section 276.1 provides an exception to this general rule. If a person filed a late claim due to a pending disability rating from the United States Department of Veterans Affairs (USDVA), the full level of the exemption will be granted, effective as of the date of a disability rating.

In 2000, legislation added Section 276.1 (SB 1362, Ch. 1085, Stats. 2000) to allow a retroactive filing provision in cases of delayed disability ratings. When Section 276.1 was added, it included references to a pending application with the USDVA for a disability rating as being necessary for retroactive filing.

**This Proposal**

This proposal:

- Extends from 30 to 90 days the number of days to file an exemption claim after receiving the rating letter. Since there is a variety of material and various programs for disabled veterans' to sort through after they receive their disability rating which can be overwhelming, 30 days may not be a sufficient amount of time to review these materials and complete the necessary paperwork for any program for which they become eligible to participate.
- Eliminates references to pending applications with the USDVA since in some instances there may not have been a pending application.

*Section 276.1 of the Revenue and Taxation Code is amended to read:*

276.1. (a) For property for which the disabled veterans' exemption described in Section 205.5 would have been available but ~~for the taxpayer's failure to receive a timely~~ the taxpayer had not yet received a disability rating from the United States Department of Veterans Affairs (USDVA) that qualifies the claimant for the exemption, there shall be canceled or refunded the amount of any taxes, including any interest and penalties thereon, subject to the provisions regarding cancellations in Article 1 (commencing with Section 4985) of Chapter 4 and the limitations periods on refunds as described in Article 1 (commencing with Section 5096) of Chapter 5, levied on that portion of the assessed value of the property that would have been exempt under a timely and appropriate claim, provided that the claimant ~~meets both of the following conditions:~~

~~—(1) The claimant had an application pending with the USDVA for a disability rating and subsequently received a rating that qualifies the claimant for the disabled veterans' exemption described in Section 205.5.~~

~~—(2) The claimant subsequently files an appropriate claim for the disabled veterans' exemption described in Section 205.5 the later of 30 90 days of receipt of the disability rating from the USDVA or on or before the next following lien date.~~

(b) Subject to the provisions regarding cancellations and the limitations periods on refunds, the disabled veterans' exemption applies beginning on the effective date, as determined by the USDVA, of a disability rating that qualifies the claimant for the exemption.